

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Financial Report

Year Ended December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Financial Report

Year Ended December 31, 2006

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INDEPENDENT AUDITOR'S REPORT

Honorable Clyde A. Gisclair
St. Charles Parish Assessor
Hahnville, Louisiana

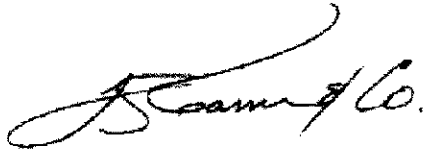
We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Charles Parish Assessor, as of and for the year ended December 31, 2006, which collectively comprise the Assessor's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the St. Charles Parish Assessor. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the St. Charles Parish Assessor as of December 31, 2006, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2007 on our consideration of the St. Charles Parish Assessor's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 30, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Thibodaux, Louisiana
June 25, 2007

Required Supplemental Information
(Part 1 of 2)

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

Year ended December 31, 2006

Our discussion and analysis of the St. Charles Parish Assessor's (hereafter referred to as the Assessor) financial performance provides an overview of the Assessor's financial activities for the fiscal year ended December 31, 2006. It is intended to serve as an introduction to the basic financial statements, fund financial statements, notes thereto, and other financial information. Please read it in conjunction with the Assessor's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

The financial statements of the Assessor present the financial transactions of the Assessor's office. The Assessor assesses all real and movable property in the parish subject to ad valorem taxation. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

- The Assessor's assets exceeded its liabilities by \$1,901,584 (net assets) for the calendar year reported. This is a 17.5% increase over the prior year.
- Total net assets comprised of the following:
 - Capital assets of \$32,471 include furniture, equipment and vehicles, net of accumulated depreciation.
 - Unrestricted net assets of 1,869,113 represent the portion available to maintain the Assessor's continuing obligations to its citizens.
- In 2006, cash increased by \$79,847 and investments increased by \$93,552. At year-end, \$141,117 of the total cash is held in a money fund which earned \$3,730 in interest in 2006. The investments earned \$13,552 in 2006.
- Ad valorem tax revenue increased 12% or \$134,774. This is due to an increase in the number of assessments as well as an increase in the millage rate, from 1.43 in 2005 to 1.47 in 2006. The increase in the number of assessments is primarily due to new construction and new business establishments.
- There were \$20,786 in depreciable capital assets purchased during this fiscal year. There was no new long-term debt acquired.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities found on pages 11 and 12 provides information about the financial activities of the Assessor as a whole. Fund financial statements start on page 13. For governmental-type activities, these statements illustrate how these services were financed in the short-term and what

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

Year ended December 31, 2006

remains for future spending. Fund financial statements also report the Assessor's operations in more detail than the government-wide statements by providing information about the Assessor's most significant funds.

REPORTING ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities

The government-wide financial statements present financial information for all activities of the Assessor from economic resources measurement focus using the accrual basis of accounting. They present governmental activities, such as general government, separately from business-type activities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Assessor's net assets and the change in them. These net assets, the difference between the assets and the liabilities, are one way to measure the Assessor's financial position or financial health. Over time, increases or decreases in the Assessor's net assets are one indicator of whether its financial health is improving or deteriorating.

REPORTING ON THE ASSESSOR'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the Assessor's General Fund. All of the Assessor's expenses are reported in a governmental fund, which focuses on how money flows into and out of that fund and the balances left at year-end that are available for spending. This fund is reported using the modified accrual method, which measures cash and all other financial assets that could readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Assessor's general operations and the expense paid from this fund. The information in the governmental fund helps determine if there are more or less financial resources to finance future Assessor expenses. We describe the relationship (or differences) between governmental activities, reported in the Statement of Net Assets and the Statement of Activities, and the governmental fund in reconciliations on pages 15 and 16.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

Year ended December 31, 2006

ANALYSIS OF THE ASSESSOR USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets

The following is a comparative analysis of the Assessor's net assets:

	<u>2006</u>	<u>2005</u>	<u>Difference</u> <u>\$</u>	<u>Difference</u> <u>%</u>
ASSETS				
Current assets	\$1,499,427	\$ 1,321,106	\$178,321	13.5%
Investments	374,065	280,513	93,552	33.4%
Capital assets, net of accum. depreciation	32,471	23,575	8,896	37.7%
Total assets	<u>\$1,905,963</u>	<u>\$ 1,625,194</u>	<u>\$280,769</u>	<u>17.3%</u>
LIABILITIES				
Current liabilities	\$ 4,380	\$ 7,034	\$ (2,654)	-37.7%
Total liabilities	<u>\$ 4,380</u>	<u>\$ 7,034</u>	<u>\$ (2,654)</u>	<u>-37.7%</u>
NET ASSETS				
Investment in capital assets, net of debt	\$ 32,471	\$ 23,575	\$ 8,896	37.7 %
Unrestricted	<u>1,869,113</u>	<u>1,594,585</u>	<u>274, 528</u>	<u>17.2%</u>
Total net assets	<u>\$ 1,901,584</u>	<u>\$ 1,618,160</u>	<u>\$ 283,424</u>	<u>17.5%</u>

- The Assessor continues to maintain a healthy current ratio. The current ratio compares the current assets to current liabilities and is an indication of the ability to pay current obligations.
- The Assessor reported a positive balance in net assets for its governmental activities. Net assets increased from by \$283,424 or 17.5%. This increase is primarily due to the increase in ad valorem tax revenue. Note that only 1.7% of the governmental activities' net assets are tied up in capital assets. Therefore, \$1,869,113 is available to the Assessor to provide services to its citizens.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

Year ended December 31, 2006

Statement of Activities

The following table is a comparative analysis of the Assessor's revenues and expenses that produced the increase in net assets for the fiscal year.

	<u>2006</u>	<u>2005</u>	<u>Difference</u> <u>\$</u>	<u>Difference</u> <u>%</u>
Revenue				
Charges for Services	\$ 18,608	\$ 11,738	\$ 6,870	58.5%
General revenue	1,277,575	1,144,861	132,714	11.6%
Interest income	40,545	23,418	17,127	73.1%
Grant revenue	0	2,930	(2,930)	
Reimbursement from taxing bodies	90,013	56,039	33,974	60.6%
Total Revenue	\$ 1,426,741	\$ 1,238,986	\$ 187,755	15.2%
Expenses				
General government	1,143,317	1,093,274	50,043	4.6%
Net change (loss) in net assets	283,424	145,712	137,712	94.5%
Net assets:				
Beginning of year	<u>1,618,160</u>	<u>1,472,448</u>	<u>145,712</u>	<u>9.9%</u>
End of year	<u>\$ 1,901,584</u>	<u>\$ 1,618,160</u>	<u>\$ 283,424</u>	<u>17.5%</u>

- The Assessor is heavily reliant on property taxes to support its operations. Property taxes provide 87% of the Assessor's total revenues. Revenues from the State of Louisiana for revenue sharing totaled approximately 2% of the Assessor's current year resources. Because of the Assessor's healthy financial condition, we have been able to earn \$40,545 in interest earnings to support our activities. Also, note that the program revenues cover only 1.6% of governmental operating expenses. This means that the Assessor's taxpayers and the Assessor's other general revenues fund 98.4% of the Assessor's activities. As a result, the general economy and local businesses have a major impact on the Assessor's revenue streams.
- Since the assessor operations are staff oriented, approximately 82% of the budget is used for employee salaries and benefits. Operating services, maintenance, and supplies make up the remaining 18% of total expenses.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

Year ended December 31, 2006

ANALYSIS OF THE ASSESSOR'S GENERAL FUND

The General Fund is the Assessor's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is reported in the fund financial statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Remember that the data presented in the fund financial statements is presented on the modified accrual basis. This means that capital assets purchased during the year are reported as expenditures and no depreciation on these capital assets is reported as an expenditure in the same year.

The total ending general fund's fund balance is \$1,827,511. This reflects an increase of \$275,037 or 18% from last year. This increase is primarily the result of the events and programs described within the analysis of the Assessor's activities described above. The total amount is unreserved indicating availability for continuing Assessor service requirements.

Ad valorem taxes and state revenue sharing were comparable to 2005 with ad valorem taxes having only an 11% increase. Salaries expense had only a \$709 or 0.1% decrease. Employee retirement expense for also decreased slightly, 2.5%, due to the required employer contribution decreasing from 14% to 13.5%.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The Assessor's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2006 was \$32,471, an increase of 38%. At year-end, the depreciable capital assets for governmental activities were 88% depreciated. Depreciation expense was \$11,890. New computer equipment and a copy machine were purchased in 2006 totaling \$20,786.

This results in a 38% increase in book value of capital assets. This indicates that in the current year, the Assessor replaced its assets at a faster rate they were depreciating. The total percentage of depreciated capital assets is quite high which means that additional resources will be needed to continue to replace these capital assets in the future.

See Note 6 for additional information about changes in capital assets during the year.

Long-term debt

The Assessor had no long-term debt during the year or at year-end.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

Year ended December 31, 2006

GENERAL FUND BUDGETARY HIGHLIGHTS

The Assessor's budget is prepared using the modified accrual basis of accounting. It was amended one time during the year, on December 13, 2006 to more accurately reflect the Assessor's financial activity for the year.

All items on the final budget were not within the acceptable budgeted appropriations of 5%, as allowed by state law. A budget to actual comparison schedule can be found on page 30.

CONTACTING THE ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Assessor's finances and to show the Assessor's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Mr. Clyde "Rock" Gisclair, Assessor, P.O. Box 303, Hahnville, Louisiana 70057.

CLOSING COMMENTS

The Assessor continues to closely monitor the use of its funds to ensure that the funds are spent wisely. We are very proud of the progress that has been made throughout the parish for our citizens.

Government-Wide Financial Statements

**ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana**

**Statement of Net Assets
December 31, 2006**

	<u>Governmental Activites</u>
ASSETS	
Current assets:	
Cash	\$ 234,271
Reveivables	
Ad valorem taxes, net	1,244,436
State revenue sharing	20,503
Other	<u>217</u>
Total current assets	\$ 1,499,427
Investments	374,065
Capital assets:	
Capital assets, net of accumulated depreciation	<u>32,471</u>
Total assets	<u>\$ 1,905,963</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,232
Payroll liabilities and related payables	<u>3,148</u>
Total liabilities	<u>\$ 4,380</u>
NET ASSETS	
Investment in capital assets, net of related debt	\$ 32,471
Unrestricted	<u>1,869,113</u>
Total net assets	<u>\$ 1,901,584</u>

The accompanying notes are an integral part of this statement.

**ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana**

**Statement of Activities
For the Year Ended December 31, 2006**

	<u>Program Revenues</u>			<u>Total</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	
Functions/Programs				
Governmental activities:				
General government	<u>\$ 1,143,317</u>	<u>\$ (18,608)</u>	<u>\$ (90,013)</u>	<u>\$ 1,034,696</u>
Total governmental activities	1,143,317	(18,608)	\$ (90,013)	1,034,696
 General Revenues:				
Ad valorem tax				1,246,820
State revenue sharing				30,755
Interest on investments				<u>40,545</u>
Total general revenues				\$ 1,318,120
 Change in net assets				 \$ 283,424
 Net assets:				
Beginning of the year				<u>\$ 1,618,160</u>
End of the year				<u><u>\$ 1,901,584</u></u>

The accompanying notes are an integral part of this statement.

Fund Financial Statements

**ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana**

**Balance Sheet - Governmental Fund
December 31, 2006**

	General Fund
ASSETS	
Cash	\$ 234,271
Ad valorem taxes receivable, net	1,244,436
State revenue sharing receivable	20,503
Other receivable	217
Investments	<u>374,065</u>
Total assets	<u>\$ 1,873,492</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 1,232
Payroll liabilities and related payables	3,148
Deferred revenues - ad valorem tax	21,099
Deferred revenues - state revenue sharing	<u>20,503</u>
Total liabilities	<u>\$ 45,981</u>
Fund balance:	
Fund balance - unreserved	<u>\$ 1,827,511</u>
Total liabilities and fund balance	<u>\$ 1,873,491</u>

The accompanying notes are an integral part of this statement.

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Statement Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund - General Fund
For the Year Ended December 31, 2006

Revenues

Ad valorem tax	\$ 1,245,952
State revenue sharing	32,129
Computer service fees	4,500
Duplicating fees	7,208
Preparation of tax roll	6,900
Interest on investments	40,545
Total revenues	\$ 1,337,234

Expenditures

Salaries:	
Assessor	\$ 96,514
Deputies	511,000
Others	2,400
Payroll taxes & expenses	3,306
Disability insurance	2,372
Employer's contribution to group insurance	149,314
Advalorem tax expense	979
Uniforms	4,544
Employer's contribution to retirement	142,324
Deferred Compensation	43,108
Automobile expenditures	1,139
Contracted services	105,454
Dues and subscriptions	7,818
Equipment maintenance	6,635
Office expenditures	38,786
Other Insurance	5,660
Telephone	7,351
Travel and conventions	2,724
Capital Outlay	20,786
Total expenditures	\$ 1,152,213

Change in Fund Balance before Other Financing Sources (Uses) \$ 185,021

Other Financing Sources (Uses)

Grant income	-
Reimbursement from other taxing bodies for legal expenses	90,013
Total other financing sources (uses)	\$ 90,013

Net change in fund balances **\$ 275,034**

Fund balances:

Beginning of the year	1,552,477
End of the year	\$ 1,827,511

The accompanying notes are an integral part of this statement.

**ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Assets
December 31, 2006**

Total Fund Balances - Total Governmental Funds	\$ 1,827,511
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Amounts reported for governmental activities in the Statement of
Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	32,471
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Ad valorem taxes and state revenue sharing revenues will be collected after year end; but they are not available soon enough to pay for the current period expenditures; therefore, they are reported as deferred revenue in the fund.	<u>41,602</u>
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Total Net Assets - Governmental activities	<u><u>\$ 1,901,584</u></u>
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The accompanying notes are an integral part of this statement.

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended December 31, 2006**

Net Change in Fund Balances - Total Governmental Funds \$ 275,034

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 20,786	
Depreciation expense	<u>(11,890)</u>	
		8,896

Ad valorem taxes and state revenue sharing revenue in the statement of
activities that do not provide current resources is not reported as
revenue in the fund. (506)

Change in Net Assets - Governmental activities \$ 283,424

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

INTRODUCTION

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four-year term. The assessor assesses all real and movable property in the parish subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and peculiarly responsible for the actions of the deputies.

The assessor's office is located in the St. Charles Parish Courthouse in Hahnville, Louisiana. The assessor employs 11 employees, which includes the assessor, 9 deputies and 1 part-time janitor. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the year. The assessor completes an assessment listing by May 1 and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

At December 31, 2006, there are 23,897 real property and movable property assessments totaling \$250,341,433 and \$692,297,873, respectively. Total exemption is \$92,088,489 and total taxable is \$850,550,817. This represents an increase from 2005 of 296 new assessments, an increase in assessed value of \$70,001,213 and an increase in taxable assessments of \$68,183,389. The increase in the number of assessments is primarily due to new construction and new business establishments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The accompanying financial statements of the St. Charles Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued June 1999. The more significant accounting policies established in GAAP and used by the Assessor are discussed below.

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

B. Reporting entity

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the St. Charles Parish Council is the primary government for financial reporting purposes.

Governmental Accounting Standards Board Statement No.14 established criteria for determining which component units should be considered part of the St. Charles Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organizations governing body, and
 - a. The ability of the parish council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on these criteria, management has determined that the St. Charles Assessor is not considered a component unit of the St. Charles Parish Council. The St. Charles Parish Assessor is a separate reporting entity because:

1. The Assessor is a separate legal entity, and not a part of the Parish Council or other governmental entities.
2. The Assessor is elected by the voters and is not appointed by the Parish Council.
3. The Parish Council does not have the ability to impose its will on the Assessor.
4. The Assessor is not fiscally dependent on the Parish Council, nor is the Assessor a significant financial burden to the Parish Council.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to the Financial Statements

Year Ended December, 31 2006

C. Fund Accounting

The assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain tax assessment functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the assessor's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the assessor. The following are the assessor's governmental funds:

General Fund - the primary operating fund of the assessor and it accounts for all financial resources, except those required to be accounted for in other funds.

The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the assessor's policy.

D. Measurement Focus/Basis of accounting

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements C and D are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the assessor's operations.

Revenues -

Ad valorem taxes assessed are recorded, net of deferred taxes and net of an allowance for uncollectible receivables in the year the taxes are assessed. Deferred revenue is

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to the Financial Statements

Year Ended December, 31 2006

recorded for the amount of assessed taxes that are expected to be collected after the end of the year but are not expected to be available in time to pay current liabilities. "Available" means collectible within the current period or within 60 days after year-end. Ad valorem taxes are assessed for the calendar year, become due on November 15 of each year, and become delinquent on December 31. The tax collector generally collects the taxes in December of the current year and January and February of the ensuing year. Ad valorem tax revenue also includes prior year taxes received that were previously written off. Prior year net receivables written off are deducted from ad valorem tax revenue.

State revenue sharing is recorded, net of deferred revenue, for the current year's tax roll. Deferred revenue is recorded for the amount of the funds that are expected to be collected after the end of the year but are not expected to be collected in time to pay current liabilities.

All other revenues are recorded when measurable and available.

Expenditures -

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or their heirs) are paid for accrued sick leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. Because employees are not allowed to carryover vacation leave to future years, there is no long-term liability for compensated absences.

Other Financing Sources -

Other financing sources are recorded when measurable and available.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the assessor as a whole. These statements include all the financial activities of the assessor. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

E. Budgets

The St. Charles Parish Assessor's adopts an annual budget for the General Fund on a modified accrual basis of accounting. The proposed budget for 2006 was published in the official journal and made available for public inspection. The public hearing for the proposed budget was held December 14, 2005, and the budget was adopted on that date. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. Formal budget integration was employed as a management control device during the year the budget was amended. The amended budget was published in the official journal and made available for public inspection. The amended budget was adopted at a public hearing on December 13, 2006.

The assessor reserves all authority to make changes to the budget. When actual revenues fail to meet budgeted revenues by five percent or more and/or actual expenditures exceed budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. Cash and cash equivalents

Cash includes amounts in interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Investments

Under state law, the assessor may invest in United States bonds, treasury notes, or certificates. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the assessor's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. Inventories

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle, they are recorded as expenditures

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

when paid for and are not recorded as an inventory asset.

I. Prepaid items

The assessor does not account for prepaid items.

J. Capital assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The assessor maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Furniture	5 years
Computer equipment	5 years
Office equipment	5 years
Telephone equipment	10 years
Vehicles	5 years

K. Vacation and Sick Leave

Employees of the assessor's office earn from 0 to 20 days of vacation leave each year, depending on their length of service. Unused vacation leave may not be accumulated. Employees earn from 5 to 20 days of sick leave each year, depending on their length of service. A maximum of 50 days of sick leave may be accumulated. Upon retirement or death, unused accumulated sick leave is paid to the employee or to the employee's estate at the employee's current rate of pay.

In accordance with GASB Statement No.16, the cost of sick leave is accrued only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies such as medical appointments and funerals. There is no cost of leave privileges required to be reported on the financial statements.

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

L. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the assessor, which are either unusual in nature or infrequent in occurrence.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash

At year-end, the assessor has cash (book balance) of a \$314,271, as follows:

Checking – First National Bank U*S*A	\$173,109
Money Funds – USB Financial Services	<u>141,162</u>
Total cash and equivalents	<u>\$314,271</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to the Financial Statements

Year Ended December, 31 2006

pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At December 31, 2006, the assessor has \$142,220 in demand deposits (collected bank balance) at First National Bank U*S*A. These deposits are secured from risk by \$100,000 federal deposit insurance and \$42,220 of U.S. Government securities.

At December 31, 2006, the assessor has \$141,117 in deposits (collected balance) at UBS Financial Services, Inc. These funds offer same-day liquidity and maintain a stable net asset value of \$1.00 while investing in US Treasury securities and repurchase agreements relating to those instruments.

NOTE 3. INVESTMENTS

The assessor receives approximately 90% of the taxes receivable within sixty days after year-end. The funds are invested in several certificates of deposit, one maturing each month during the year. These funds are held in the Assessor's name at First National Bank U*S*A. Funds from the matured certificates are transferred monthly for operating expenses. The funds are fully insured by the federal government and collateralized by securities held in the Assessor's name (category 1 risk). The certificates earned \$20,017.03 of interest income in the year 2006. At year-end, the balance of those certificates was \$80,000.

The assessor also invests funds with UBS Financial Services, Inc. At year-end, the balance of investments was \$294,065.00, cost and market value. These funds were invested in UBS Select Treasury Institutional Shares, a mutual fund investing in US Treasury Securities and repurchase agreements relating to those instruments. During the fiscal year 2006, no investments were sold. These funds earned \$13,552.12 in dividend income in the year 2006. Dividend income is reinvested into this account.

NOTE 4. RECEIVABLES

Ad valorem taxes receivable of \$1,250,310 is recorded net of an allowance for estimated uncollectibles of \$5,874. Allowance for estimated uncollectibles is determined by calculating the prior year assessment less the actual amount received from prior year tax roll, adding any prior year taxes collected which were previously written off.

Other receivables consist of the following:

Interest Receivable on CD	\$ 206
Medicare tax on taxable life insurance premium	11
Total other receivables	<u>\$ 217</u>

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

NOTE 5. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2006.

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Assessor	1.47	1.47

The following are the 10 largest taxpayers for St. Charles parish:

<u>Taxpayer</u>	<u>2006 Assessment</u>	<u>Taxes Paid</u>
Entergy Louisiana, Inc.	\$ 191,674,280	\$ 22,513,454
Motiva Enterprises, LLC	89,400,138	10,475,908
Union Carbide Corporation	86,957,473	10,217,503
Shell Oil Company	41,358,760	4,846,419
Valero Marketing & Supply	28,541,375	3,344,478
Monsanto Company	23,496,929	2,760,889
Occidental Chemical Corp.	19,881,766	2,336,108
Motiva Enterprises, LLC	12,419,235	1,455,286
Shell Chemical Company	11,585,705	1,357,613
Valero Refining-New Orleans, LLC	11,502,000	1,347,804
	<u>\$ 516,817,661</u>	<u>\$ 60,655,463</u>

NOTE 6. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2006, is as follows:

Governmental activities

	<u>12/31/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2006</u>
Computer equipment	67,242.26	11,581.26	(7,050.00)	71,773.52
Furniture	93,434.17	-	-	93,434.17
Office equipment	74,560.18	9,205.00	(26,803.00)	56,962.18
Telephone equipment	11,911.10	-	-	11,911.10
Vehicle	32,386.00	-	-	32,386.00
Total	<u>279,533.71</u>	<u>20,786.26</u>	<u>(33,583.00)</u>	<u>266,466.97</u>

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

Less accumulated depreciation:

Computer equipment	(56,884.38)	(7,358.08)	7,050.00	(57,192.46)
Furniture	(92,631.02)	(803.51)	-	(93,434.17)
Office equipment	(74,014.06)	(763.67)	26,803.00	(47,974.73)
Telephone equipment	(6,253.33)	(1,191.11)	-	(7,444.44)
Vehicle	(26,176.30)	(1,744.20)	-	(27,950.50)
Total	<u>(255,959.09)</u>	<u>(11,890.21)</u>	<u>33,853.00</u>	<u>(233,996.30)</u>
Capital assets, net	<u>23,574.62</u>	<u>8,896.05</u>	<u>-</u>	<u>32,470.67</u>

Depreciation expense for the year is \$11,890.

NOTE 7. PENSION PLAN

Plan Description.

Substantially all employees of the St. Charles Parish assessor's office are members of the Louisiana Assessors Retirement System, a cost sharing, multiple employer defined benefit pension plan administrated by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not draw their employee contributions may retire at or after age 55 and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicity available financial report, which includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Louisiana Assessor's Retirement System Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding Policy.

Plan members are required by state statute to contribute 8.0% of their annual covered salary and the St. Charles Parish Assessor is required to contribute at an actuarially

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

determined rate. The current rate is 13.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% of the taxes shown, which are to be collected by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the St. Charles Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the evaluation for the prior fiscal year. Effective January 1, 2000, the assessor elected to also pay the employee portion of the retirement contribution. The St. Charles Parish Assessor's contributions to the System for the year ended December 31, 2006 were \$142,324 consisting of the employee portion of \$52,050 and the assessor's portion of \$90,274. The St. Charles Parish Assessor's total contributions to the System for the years ending December 31, 2006, 2005, 2004, and 2003, were \$142,324, \$145,997, \$151,981, and \$154,465 respectively, equal to the required contributions for each year.

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

The St. Charles Parish Assessor provides certain continuing health care and life insurance benefits for its retired employees. Substantially, all of the assessor's employees become eligible for these benefits if they reach normal retirement age while working for the assessor. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid by the assessor. The assessor recognizes the cost of providing these benefits as expenditure when paid during the year. For the year 2006, the cost of retiree benefits for two retirees totaled \$18,899.

NOTE 9. EXPENDITURE OF THE ASSESSOR NOT INCLUDED IN THE FINANCIAL STATEMENT

Certain operating expenditures of the assessor's office are paid by the parish council as required by Louisiana Revised Statute 33:4713. The assessor's office is located in the St. Charles Parish Courthouse. The St. Charles Parish Council pays the upkeep, maintenance, and insurance for the courthouse.

NOTE 10. DEFERRED COMPENSATION PLAN

The St. Charles Parish Assessor offers full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Notes to the Financial Statements
Year Ended December, 31 2006

property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiaries) solely the property and rights of the state. Participants' rights under the plan are equal to those of general creditors of the state in an amount equal to the fair market value of the deferred account for each participant. Deposits with the Louisiana Deferred Compensation Plan are stated at fair market value. The assessor matches the employee's deferral and in the year 2006 contributed \$43,108 to the deferred compensation plan.

NOTE 11. RISK MANAGEMENT

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Assessor has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the insurance coverage.

NOTE 12. LITIGATION AND CLAIMS

At December 31, 2006, the Assessor's office was involved in disputes regarding tax assessments. As the Assessor only assesses the property and does not collect taxes, there should be no monetary loss to the Assessor from this litigation.

Required Supplemental Information
(Part 2 of 2)

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Budgetary Comparison Schedule - General Fund (GAAP Basis)
Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Ad valorem tax	\$ 1,118,785	\$ 1,375,795	\$ 1,245,952	\$ (129,843)
State revenue sharing	34,000	32,815	32,129	(686)
Computer service fees	4,500	4,500	4,500	-
Interest on investments	24,000	40,583	40,545	(38)
Duplicating fees	5,500	5,354	7,208	1,854
Preparation of tax roll	1,500	1,500	6,900	5,400
Total general revenues	1,188,285	1,460,547	1,337,234	(123,313)
Expenditures				
General government - taxation:				
Salaries:				
Assessor	96,514	96,514	96,514	(0)
Deputies	511,000	511,000	511,000	-
Other	2,400	2,400	2,400	-
Office expenditures	28,000	34,408	38,786	(4,378)
Dues & subscriptions	6,400	7,818	7,818	-
Equipment maintenance	14,000	6,755	6,635	120
Insurance	6,700	8,032	8,032	-
Telephone	8,100	7,930	7,351	579
Travel and conventions	5,000	2,601	2,724	(123)
Payroll taxes	3,200	3,295	3,306	(11)
Automobile expenditures	1,000	1,141	1,139	2
Advalorem tax expense	-	979	979	-
Miscellaneous Expense	150	-	-	-
Employers contribution to group insurance				
and retirement	292,400	291,638	291,638	-
Deferred compensation	42,500	43,108	43,108	-
Contracted services	75,000	99,705	105,454	(5,749)
Capital outlay:				
Office uniforms	5,000	4,544	4,544	-
Equipment	1,000	21,342	20,786	556
Total expenditures	1,098,364	1,143,210	1,152,214	(9,004)
Other Sources and (Uses)				
Grant income	-	-	-	-
Reimbursement from other taxing bodies	35,000	81,678	90,013	8,335
Total other sources and (uses)	35,000	81,678	90,013	8,335
Net change in fund balance	124,921	399,015	275,033	(123,982)
Fund balances:				
Beginning of the year	1,554,412	1,552,478	1,552,477	1
End of the year	\$ 1,679,333	\$ 1,951,493	\$ 1,827,510	\$ (123,983)

Reports by Management

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2006

Ref No.

0512-01

Description of Findings

Internal Control Material Weakness. As a material weakness (and reportable condition), the size of the St. Charles Parish Assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Planned

The assessor has retained the services of an independent CPA who inspects the accounting journals on a monthly basis.

Although the chief deputy has the authority to sign checks, all of the checks are signed by the assessor.

Name of Contact Person

Clyde A. Gisclair, Assessor

Anticipated Completion Date

None

Additional Explanation

This is a common reportable condition noted in audits of small governmental entities. The assessor's office does not employ enough people in its accounting department to segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

The reportable condition cannot be remedied in a cost effective manner.

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Corrective Action Plan for Current Year Findings
Year Ended December 31, 2006

Ref No.

0612-01

Description of Findings

Internal Control Material Weakness. The size of the St. Charles Parish Assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

Corrective Action Planned

The assessor has retained the services of an independent CPA who inspects the accounting journals on a monthly basis.

Although the chief deputy has the authority to sign checks, all of the checks are signed by the assessor.

Name of Contact Person

Clyde A. Gisclair, Assessor

Anticipated Completion Date

None

Additional Explanation

This is a common reportable condition noted in audits of small governmental entities. The assessor's office does not employ enough people in its accounting department to segregate duties such as approving purchase orders, approving invoices for payment, printing checks, recording checks, signing checks, mailing checks, and reconciling bank statements. This is one example of the circumstances that resulted in the reportable condition.

The reportable condition cannot be remedied in a cost effective manner.

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Corrective Action Plan for Current Year Findings
Year Ended December 31, 2006

Ref No.

0612-02

Description of Findings

Local Government Budget Act LSA-RS 39:1311 requires that the governing authority amend its budget when actual total revenue and other sources, within a fund, fail to meet total budgeted revenues and other sources by five percent or more.

The Assessor amended the budget towards the end of the fiscal year to comply with this requirement. However, actual total revenues and other sources failed to meet estimated total revenue and other sources by more than 5%.

Corrective Action Planned

When the amended budget was prepared, the gross tax assessment before exemptions amount was inadvertently used as the amended budgeted ad valorem tax revenue. This resulted in a budgeted overstatement in ad valorem tax revenue.

In the future, the Assessor will use the tax assessment after exemptions figure when preparing his annual budget.

Name of Contact Person

Clyde A. Gisclair, Assessor

Anticipated Completion Date

June 30, 2007

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Clyde Gisclair, Assessor
St. Charles Parish Assessor
Hahnville, Louisiana**

We have audited the accompanying financial statements of the governmental activities and major fund of St. Charles Parish Assessor as of and for the year ended December 31, 2006, which collectively comprise St. Charles Parish Assessor basic financial statements and have issued our report thereon dated June 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of current year audit findings on page 31 to be significant deficiencies in internal control over financial reporting.

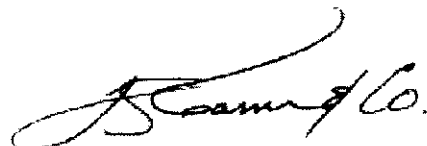
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Assessor's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 0612-01 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Corrective Action Plan for Current Year Findings as item 0612-02.

This report is intended solely for the information and use of the Assessor, those governments for which reporting is required, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



Thibodaux, Louisiana
June 25, 2007